

localinsights

spring 2015

An economic and labor market analysis of the Mountainland Area



The region is enjoying a **job growth rate of 4.2%** while *unemployment is down slightly.*

Low Unemployment and Sustainable Growth

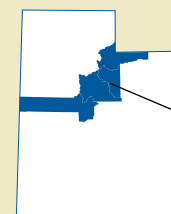
By Jim Robson, Economist

Economic conditions in the Mountainland Economic Service Area (Utah, Juab, Wasatch and Summit Counties) are bright with strong year-over job growth of 4.2 percent, or 9,890 new jobs from September 2013 to September 2014. This is a bit of a slowdown from 2013, when average payroll job growth in the region was a very rapid 5.2 percent above the average level of employment in 2012. There have been job increases in most major industry sectors with particular strength among professional and technical services, wholesale and retail trade, construction, food services and health care.

Utah, Summit, Wasatch and Juab Counties' sustainable job growth and favorable labor market conditions persisted through the end of 2014 and are continuing into 2015. By December of 2014, the unemployment rate in Mountainland declined to a very favorable rate of 3.3 percent. A year ago the regional unemployment rate was 3.8 percent. Based on the strength of employment growth in recent years, job opportunities and low unemployment will continue to characterize this area. Job growth for 2015 will likely climb between 3.7 to 4.3 percent.

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mountainland



Summit
Wasatch
Utah
Juab

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Utah County

- In September 2014, the number of payroll jobs in Utah County increased by 4.1 percent over September 2013, with 8,421 new positions. New employment growth has occurred in most major industrial sectors.
- The trade industry added the greatest number of new jobs with 1,846 positions, a year-over increase of 6.1 percent. Most subdivisions of wholesale and retail trade experienced growth, however, nonstore retailers alone accounted for about one-half of the new jobs.
- Professional, scientific and technical services grew 12.2 percent, or 1,704 jobs. Computer systems design, management consulting and technical consulting services were responsible for most of the new opportunities.
- Construction added 1,193 positions, expanding by 7.5 percent. The majority of these new jobs were in residential housing construction.
- This solid construction activity is reflected in related industries such as building materials and garden supply stores, furniture stores, wood product manufacturing and furniture manufacturing, each of which also experienced healthy employment gains.
- Healthcare and social assistance contributed 1,066 new positions, increasing by 6.6 percent.
- Restaurants, food services and accommodations added 985 jobs, growing by 6.9 percent.
- For the year ending in September 2014 there was a net increase of 3.3 percent in firms and work sites within Utah County. This increase of 434 units brought the total count of firms and work sites to 13,726.
- The seasonally adjusted unemployment rate in Utah County was 3.3 percent in December 2014, an estimated 7,980 unemployed workers. A year earlier the unemployment rate was 3.9 percent.
- Utah County average payroll employment was estimated to have grown in 2014 by about 3.7 percent, adding 7,400 new jobs, with a similar overall job growth performance expected in 2015.

Summit County

- From September 2013 to September 2014, Summit County added 1,065 new jobs for a year-over increase of 4.9 percent.

current events

HOW UTAH BECAME THE NEXT SILICON VALLEY

Utah turns out to have features in common with other places involved in advanced industries: local universities that graduate a lot of S.T.E.M. students (most notably, Brigham Young University); policies and infrastructure that attract businesses (for instance, tax breaks and a light-rail system that connects the state's biggest cities); and strong relationships among local companies (Utah's state and local governments, along with an economic-development organization, facilitate partnerships). Also, the Wasatch Front, like Silicon Valley, is densely populated and connected by a freeway and a mass-transit system. And, especially since the mid-aughts, venture capitalists have invested surprising amounts in Utah companies; in the first half of last year, the state was the sixth most popular destination for venture-capital funding.

— *The New Yorker*

REAL ESTATE MARKET BUOYED BY CONDOMINIUM SALES

A swift rise in condominium sales in the fourth quarter of 2014 compared to 2013 helped the real estate market overcome a slight drop in the total number of sales of single-family homes and vacant land in the Park City area, according to numbers released by the Park City Board of Realtors. Condominium sales in the area rose 10 percent over 2013, with big gains in Park City proper (6 percent), the Snyderville Basin (7 percent) and the Jordanelle area (19 percent). The median price of those sales increased to \$542,540, a 5 percent bump.

— *The Park Record*



For more current events:

<http://utaheconomymountainland.blogspot.com>

Summit's labor market continued to exhibit balanced growth with most major industries producing new positions.

- Accommodations and food services employment increased the most by 224 jobs. Construction grew a healthy 13.7 percent adding 181 new jobs. Local government provided a 6 percent increase of 142 positions, with health care and social services adding 90, at 8.4 percent growth. Professional, scientific and technical grew by 8.9 percent or 88 new jobs.
- Most other industry subdivisions contributed new positions as economic growth was very broad-based.
- For the year ending in September 2014, there was a net increase of 3.9 percent in firms and worksites within Summit County. This increase of 95 units brought the total count of firms and worksites to 2,535.
- The seasonally adjusted unemployment rate in Summit County was 3.1 percent in December 2014, an estimated 716 unemployed workers. A year earlier the unemployment rate was 3.7 percent.
- Employment gains among the majority of Summit County industry sectors are expected to continue. Overall job growth in 2014 was about 1,170 or in the neighborhood of 5 percent. This is a pick-up in economic activity from Summit County's employment growth of 713 in 2013 and 791 new jobs created in 2012.

Wasatch County

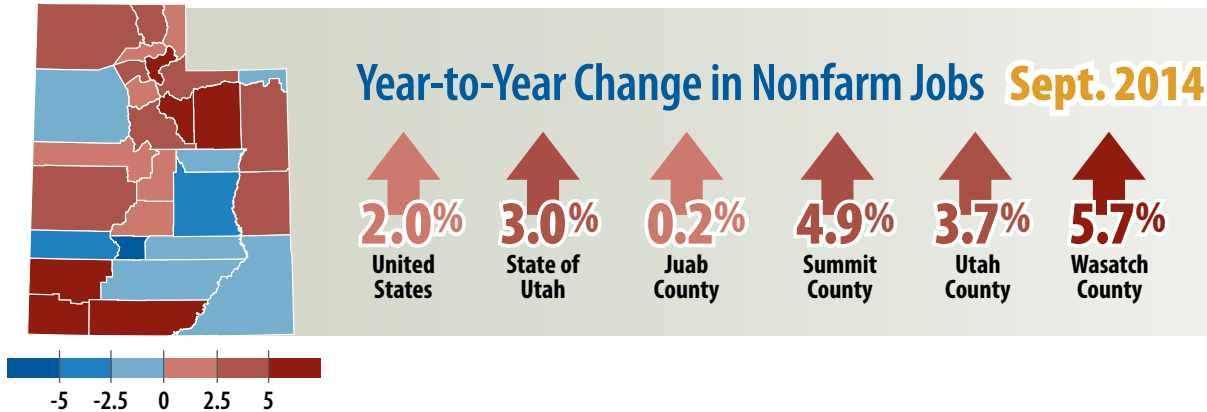
- Employment growth in Wasatch County from September 2013 to September 2014 continued at an energetic pace of 5.7 percent.
 - The largest industry job increases occurred in construction with 129, up by 14.2 percent. Professional, scientific and technical services added 82 new jobs, most occurring in computer systems design, architecture, engineering, accounting and bookkeeping. Local government positions increased by 64 or 6.4 percent. Accommodations and food services rounded out the top four industries with 53 new jobs.
 - For the year ending in September 2014 there was a net increase of 4.1 percent in firms and worksites within Wasatch County. This increase of 36 units brought the total count of firms and worksites to 916.
 - The Wasatch County jobless rate was estimated at 3.5 percent in December 2014, down from 4.7 percent a year earlier. An estimated 396 workers were unemployed in December compared to 513 the previous year.
 - Wasatch County maintained a favorable labor market through the end of 2014, adding to employment for the year by 540 jobs, about 8 percent.
- scientific and technical (-25), and transportation (-10). The decline in construction was a result of reduced commercial construction activity.
- Significant new positions were added by manufacturing (36), health care and social assistance (21), local government (16), and food services (12).
 - For the year ending in September 2014 there was a net decrease of 2.1 percent in firms and worksites within Juab County. This reduction of six units brought the total count of firms and worksites to 274.
 - In December 2014, the unemployment rate in Juab County was estimated to be 3.8 percent, down from 4.8 percent in December 2013. An estimated 164 workers were unemployed in December compared to 213 a year earlier.
 - Average annual job growth in 2013 was 6.3 percent or 193 new jobs above 2012. The 2014 preliminary annual average estimate indicates that Juab County had net job reductions of about 47 positions, a loss of 1.4 percent.

Juab County

- In the year ending September 2014, Juab County had a total of 3,379 nonfarm payroll jobs, six more than in September 2013.
- Industry sectors that had significant job reductions were construction (-80), professional,

Mountainland Economy

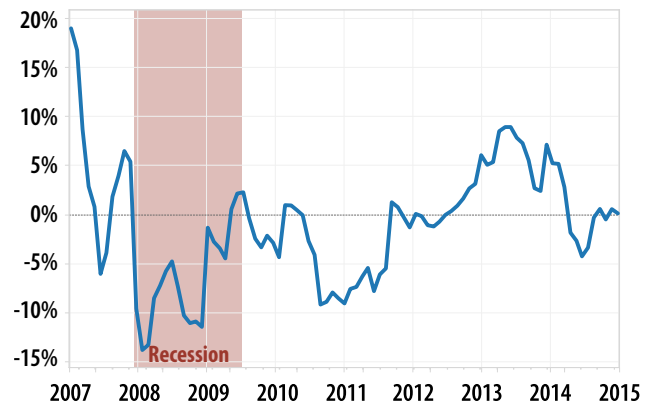
at a glance



Juab County

Job Growth
Sept. 2014

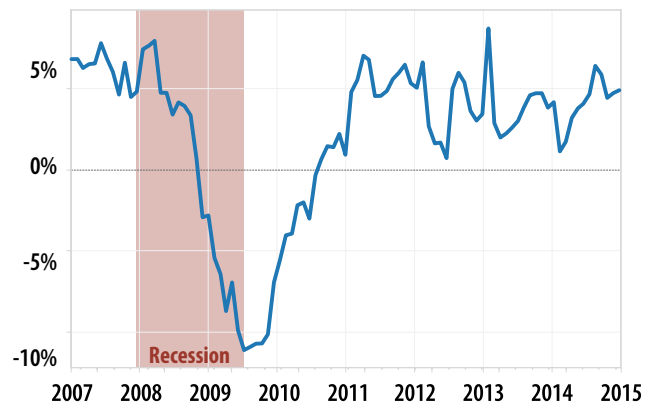
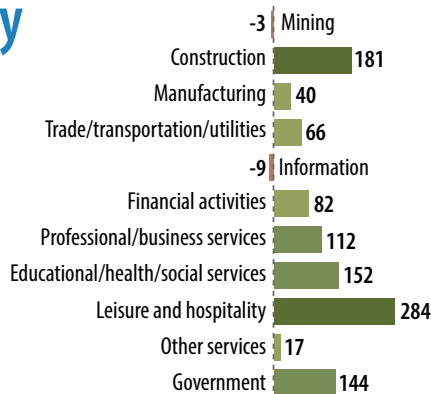
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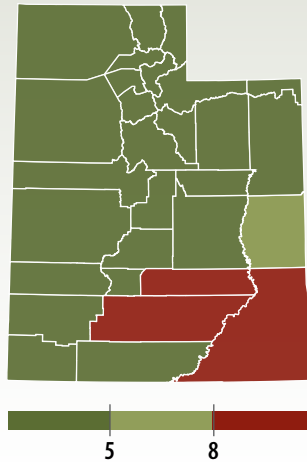
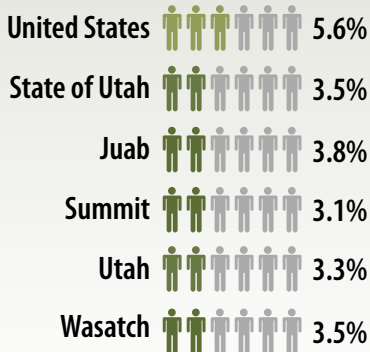
Summit County

Job Growth
Sept. 2014

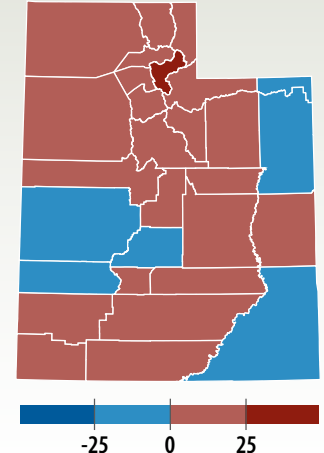
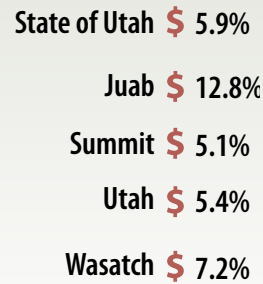
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Seasonally Adjusted Unemployment Rate Dec. 2014



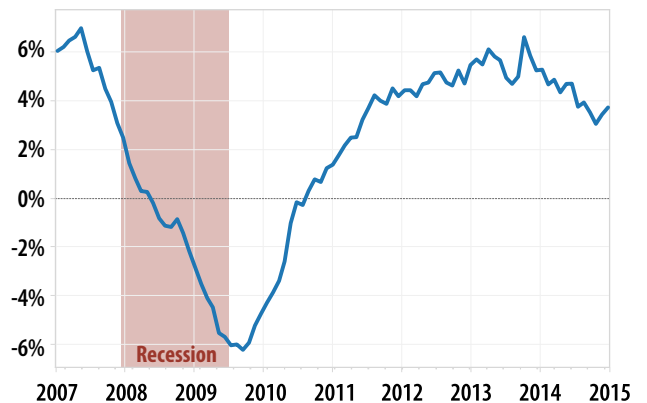
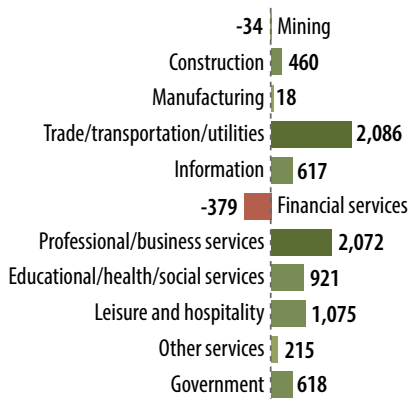
Year-to-Year Change in Gross Taxable Sales 3rd QTR 2014



Utah County

Job Growth Sept. 2014

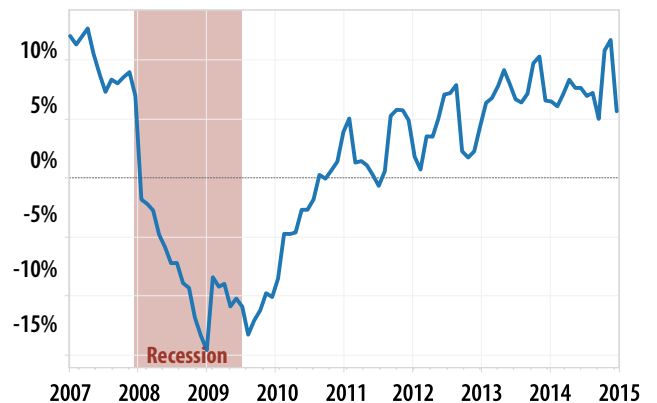
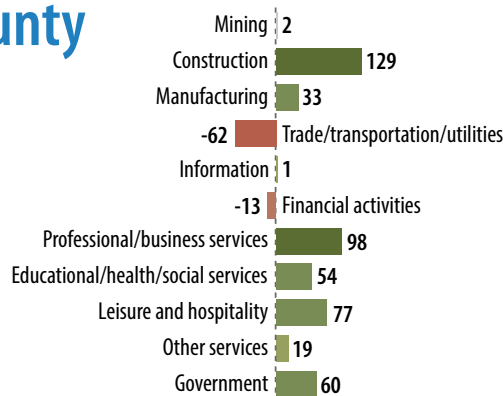
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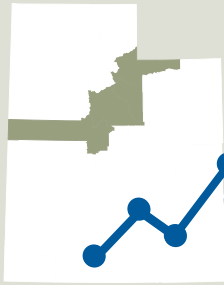


Wasatch County

Job Growth Sept. 2014

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398





Census Bureau Facts Profile Our Communities

By Jim Robson, Economist

In this issue of *Local Insights* a comparison of some labor market characteristics is drawn between the most recent American Community Survey (ACS) five-year estimates, 1990 Census and 2000 Census. In December of last year the most recent set of five-year ACS estimates were released covering the period of 2009 through 2013. Comparing census statistics with the latest ACS provides the opportunity to view labor market changes in the last 20 years.

The five-year ACS data collected between 2009 and 2013 supplies information on more than 40 economic, housing and social topics. ACS surveys are collected every month from about 1,230 households throughout the State of Utah. By combining information over a five-year collection window, it is possible to produce reasonably reliable information on all of Utah's counties, regardless of size, as well as for every city, town and neighborhood (census tract). Before the ACS was instituted, the once-each-decade Census "long form questionnaire" gave a snapshot of our counties, cities and neighborhoods. In 2005, the monthly ACS replaced the census long form.

Labor Force Status and Type of Worker

Among the questions asked of each household surveyed are inquiries concerning the employment situation for all those 16 years of age and older. A person is defined to be in the labor force if they are employed or they are unemployed. To fit the definition of an unemployed member of the labor force, in addition to being jobless you must be actively seeking work in the last four weeks. If you are not employed, unemployed or in the armed services, you are considered to be "not in the labor force."

Figure 1 provides the labor for status information for the four counties in the Mountainland region. Also included is the comparative information for the United

States and the State of Utah. Figure 2 gives us information on employed workers 16 years and over by class of work. Workers are classified among four categories. These categories are private wage and salary workers, government workers, self-employed, and unpaid family workers.

Utah County

In 2000, 67.9 percent of the population 16 and over were in the labor force, this percentage is known as the labor force participation rate. This statistic is the percentage of the population that is employed plus the percentage that is unemployed. In the 2009 to 2013 period, the participation rate was just a little bit lower at 67.6 percent. This somewhat lower rate is likely due to three effects: first, the result of the aging population as members of the baby boom generation move into retirement age; second, the effects of the great recession as some people left the labor force because of the difficulty in finding jobs; and finally, others sought more education and training.

The 0.2 percent Armed Forces personnel that reside in Utah County accounts for an estimated 555 active duty military personnel that live in the county.

The higher 4.9 percent unemployment rate in the 2009 to 2013 period reflects the end of the great recession in 2009 and slow recovery in 2010 with more improvement and recovery in subsequent years. By the end of 2014, the unemployment rate in Utah County was estimated to have fallen to 3.5 percent which is in line with the rates estimated from the 1990 and 2000 censuses.

Noticeable changes by class of worker are shown in Figure 2 for Utah County. There has been an increase in the proportion of private wage and salary workers with consistent drops in the percentage of self-employed and unpaid family workers over time. There are

also relatively less government workers in the latest ACS data than there were in 1990.

Summit County

One item of particular note in Figure 1 for Summit County is the rapid growth in the population 16 and over from 1990 to 2000, increasing by 103.2 percent.

Subsequently, from 2000 to the current five year ACS estimates, population growth has reduced considerably to a 28.6 percent rate. In the year 2000 the labor force participation rate reached 77.7 percent. This is the highest rate among Mountainland counties and higher than the U.S. or statewide rate.

Wasatch County

The data in Figure 1 for Wasatch County show it to be an area of stability with rapid, consistent population growth over time, as well as relatively stable labor force participation rates. Once again, the proportion of private wage and salary workers is up and the other classes of workers have declined.

Juab County

Juab County is the only area shown where the labor force participation rate that is higher on average during 2009–2013 at 67 percent, than in either the 1990 or 2000 censuses. The class of worker categories are somewhat mixed with a large drop and relatively low percentage of self-employed.

Throughout the entire Mountainland region the number of self-employed and unpaid family workers have declined in recent decades as agriculture has declined in importance and wage and salary employment has increased.

The labor force status and class of worker information are just two examples of the wealth of information available for all regions of the state from each decennial census and from the ACS.

Figure 1: Mountainland Labor Force Status: 1990 Census, 2000 Census and ACS* 2009–2013		Population Ages 16 and Over		As a Percent of the Population Ages 16 and Over				
		Count	Percent Growth	In the Labor Force			Not in the Labor Force	Armed Forces
				Total	Employed	Unemployed		
U.S.	1990 Census	191,829,271	-	64.4%	60.3%	4.1%	34.7%	0.9%
	2000 Census	217,168,077	13.2%	63.4%	59.7%	3.7%	36.1%	0.5%
	ACS 2009–2013	246,191,954	13.4%	63.8%	57.6%	6.2%	35.7%	0.4%
State of Utah	1990 Census	1,154,039	-	67.4%	63.8%	3.6%	32.0%	0.6%
	2000 Census	1,600,279	38.7%	68.7%	65.3%	3.4%	31.0%	0.3%
	ACS 2009–2013	2,021,139	26.3%	68.1%	63.1%	5.0%	31.6%	0.3%
Utah County	1990 Census	173,302	-	64.0%	60.6%	3.4%	35.9%	0.1%
	2000 Census	256,863	48.2%	67.9%	64.7%	3.2%	32.0%	0.1%
	ACS 2009–2013	360,452	40.3%	67.5%	62.7%	4.9%	32.3%	0.2%
Summit County	1990 Census	10,799	-	74.9%	70.3%	4.6%	25.0%	0.1%
	2000 Census	21,940	103.2%	77.6%	75.5%	2.2%	22.3%	0.0%
	ACS 2009–2013	28,204	28.6%	73.0%	69.1%	3.8%	27.0%	0.0%
Wasatch County	1990 Census	6,624	-	69.7%	65.5%	4.2%	30.3%	0.0%
	2000 Census	10,604	60.1%	68.9%	65.9%	2.9%	31.1%	0.1%
	ACS 2009–2013	17,149	61.7%	69.4%	65.1%	4.3%	30.5%	0.1%
Juab County	1990 Census	3,851	-	65.5%	61.8%	3.7%	34.5%	0.0%
	2000 Census	5,453	41.6%	65.0%	62.7%	2.3%	35.0%	0.0%
	ACS 2009–2013	6,957	27.6%	67.0%	63.1%	3.9%	33.0%	0.0%

Figure 2: Mountainland Class of Worker: 1990 Census, 2000 Census and ACS* 2009–2013		Employed Ages 16 and Over		As a Percent of the Employed Ages 16 and Over			
		Count	Percent Growth	Private Wage and Salary Workers	Government Workers	Self-employed Workers**	Unpaid Family Workers
U.S.	1990 Census	115,681,202	-	77.4%	15.2%	7.0%	0.4%
	2000 Census	129,721,512	12.1%	78.5%	14.6%	6.6%	0.3%
	ACS 2009–2013	141,864,697	9.4%	78.8%	14.9%	6.2%	0.1%
State of Utah	1990 Census	736,059	-	74.0%	18.8%	6.8%	0.4%
	2000 Census	1,044,362	41.9%	78.2%	15.7%	5.8%	0.3%
	ACS 2009–2013	1,275,709	22.2%	79.0%	16.1%	4.8%	0.1%
Utah County	1990 Census	105,102	-	79.0%	13.4%	7.0%	0.5%
	2000 Census	166,107	58.0%	81.6%	12.1%	5.9%	0.3%
	ACS 2009–2013	225,875	36.0%	82.3%	12.8%	4.7%	0.2%
Summit County	1990 Census	7,593	-	75.0%	13.1%	11.4%	0.4%
	2000 Census	16,557	118.1%	80.2%	11.3%	8.2%	0.3%
	ACS 2009–2013	19,498	17.8%	80.0%	12.3%	7.6%	0.1%
Wasatch County	1990 Census	4,340	-	71.1%	18.0%	9.8%	1.1%
	2000 Census	6,989	61.0%	74.6%	15.8%	8.8%	0.7%
	ACS 2009–2013	11,169	59.8%	77.9%	15.4%	6.4%	0.3%
Juab County	1990 Census	2,378	-	68.5%	19.9%	11.4%	0.2%
	2000 Census	3,421	43.9%	80.8%	13.8%	5.3%	0.1%
	ACS 2009–2013	4,392	28.4%	76.9%	19.4%	3.6%	0.1%

*ACS 2009–2013 — American Community Survey 5-year Estimates 2009–2013.

**Self-employed Workers — in own not incorporated business.

Source: U.S. Census Bureau: 1990 Census, 2000 Census and American Community Survey 5-year Estimates 2009–2013.



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Looking to the American Community Survey

By Mark Knold, Supervising Economist

"Sampling, statisticians have told us, is a much more effective way of getting a good census."

— Rob Lowe

The Rob Lowe quote is designed to be humorous. Is the best way to get answers about an entire population to not question the entire population but instead only part of it?

When we hear "census," we often think of the once-every-ten-year questioning as mandated by the Constitution. In that context though, we often think of "census" as an event instead of what it is—an enumeration.

A census targets an entire population. In contrast, if that is impractical or impossible, then a smaller portion (a survey) of the population needs serve as a viable substitute. Rob Lowe's humor stems from the idea that when we do the national decennial Census, much of the data comes from a survey. To him, that is an oxymoron.

The U.S. Constitution mandates the decennial Census for the purpose of allocating Congressional representation. That is fulfilled in our modern U.S. Census via the "short form," the portion that everyone gets and answers and thus makes it a census. That information is largely just a head count of people. Yet the Census event offers a great way to gather additional characteristic information about the U.S. population. That information formerly came from the now-deceased "long form"—a survey within the Census.

The long-form decennial survey has now been transformed into an ongoing exposé called the American Community Survey (ACS). From this rendering we get a wealth of U.S. population characteristics like educational achievement, income levels, poverty status and much more.

This issue of *Local Insights* is looking at Utah's recent ACS data and comparing some demographic variables of today to those same variables in the past. Have things changed in Utah's local economies over time? The frequency of the ACS makes these evaluations available in a more timely fashion.